

Varazdin Development and Entrepreneurship Agency and University North  
in cooperation with:  
Faculty of Management University of Warsaw  
Faculty of Law, Economics and Social Sciences Sale - Mohammed V University in Rabat  
Polytechnic of Medimurje in Cakovec



## Economic and Social Development

49th International Scientific Conference on Economic and Social Development –  
"Building Resilient Society"

### Book of Abstracts

Editors:

Darko Dukic, Tomasz Studzieniecki, Jasmina Grzinic



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## **APPLICATION OF AGENT-BASED MODELING IN DECISION-MAKING MIGRATION POLICY**

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### **ABSTRACT**

*The article is devoted to the analysis of existing experience in the application of agent-based approach by modeling migration processes carried out for ongoing development of complex agent-based models to simulate processes in the field of migration policy. Analysis showed that despite the advantages demonstrated by the agent-based approach compared with traditional methods of demographic research simulation reveals various difficulties in terms of simulating migration processes that nevertheless do not underestimate advantages of agent and other existing modeling approaches. Hybrid population-based agent modeling is a new emerging field of study that showed advantages by implementing this approach. The explosive population growth around the world over the past few decades has had an enormous impact on the level of natural resources, the state of the environment and the structure of society in many countries. The study of demographic and migratory trends and the dynamics of changes in the population structure plays a key role in the formation of domestic as well as global policies to achieve sustainable social and environmental development.*

**Keywords:** *agent-based modeling, EU economy, migration, migration policy*

## INFLUENCE OF INNOVATION ON THE LINER SHIPPING CONNECTIVITY

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### **ABSTRACT**

*Globalization is a complex phenomenon of the modern world activating the development of the global economy and also maritime transport, which is exposed to the strong impact of internationalization processes. Interesting are the changes that have occurred in recent years in global maritime transport and are reflected in visible progress in the degree of integration of international economies. The degree of openness of economies to the use of trade by sea has been measured by the experts of the United Nations Conference on Trade and Development (UNCTAD) since 2006, since it is maritime trade that contributes to global economic development. Statistics show that a high degree of networking and openness of economies to the sea is the domain of strong and dynamically developing economies. The purpose of the following article is to analyze the relationship between the indicator determining the attractiveness of seaport ports for shipowners and shippers at the same time and showing what extent the ports of individual countries are connected with the global shipping network - Liner Shipping Connectivity Index and the innovation indicator - European Innovation Scoreboard. The article presents the results of a Spearman rank non-parametric correlation study. The analysis used the UNCTAD database published in 2018 and the European Innovation Ranking for 2018 published by the European Commission. The article analyzes the liner connectivity index on a sample of 28 selected maritime countries that are also members of the European Union and third countries included in the European Innovation Scoreboard.*

**Keywords:** *liner shipping connectivity index, innovation, seaports, correlation coefficient*

## **INCREASING SUBJECT MOTIVATION OF STUDENTS THROUGH USE OF AUTHENTIC ADVERTISING MATERIALS**

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### **ABSTRACT**

*The article analyzes the impact of educational activities on the motivational dynamics in foreign language classroom. All spheres of society are associated with education. The increasing social role of education and the rapid progress of science and technology actualize the need for an integrated approach to student's educational and personal growth in terms of knowledge, skills, competencies, values and attitudes. Modern education should take into account the changed mentality of students as active learners and the new ways they use to obtain information. Currently, when pedagogical technologies, practices, methods, techniques and teaching aids are improving language training in Russian higher education is faced with new challenges. Foreign language teachers stress the need to form a positive attitude of the young generation to educational activities, the development of a success mechanism through the methods used within the subject, i.e. due to its specific teaching. Motivation, both internal and external, is one of the main conditions for success in learning a foreign language. The authors of the article distinguish between external and internal motivation, define communicative and professional motivation, and consider methods to stimulate it in learners. It is noted that when learning foreign languages, students are faced with several factors that motivate or*

*demotivate them. At present, foreign language teachers should strive to maintain student's motivation to learn a foreign language, constantly studying motivational phenomena that affect the success of language training. The article discusses the use of authentic advertising materials as one of the factors for increasing educational motivation in the study of French as a second foreign language. If the advertising industry manages to attract the attention of young people, why not use its product in language classroom? Modern advertising texts, images and slogans use a wide variety of linguistic and semiotic means, so this material has a language value and a cultural orientation. Various types of advertising (social and commercial) contribute to developing student's communicative competence, which is paramount when learning a foreign language. The use of advertising materials in language classroom encourages (consciously or unconsciously) student's cognitive and communicative activities, increases efficiency and pace of language learning, and provides the variety of educational activities offered by a teacher.*

**Keywords:** *advertising materials, communicative competence, motivation, slogans, to stimulate*

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## **INCREASING COMPETITIVENESS IN HIGHER BUSINESS EDUCATION – THE CASE OF INTENSE PROJECT**

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### **ABSTRACT**

*In the past few decades business higher education in Croatia is marked with increasing competition that is visible through several facts: increased number of institutions, both private and public, increasing government preference and support to STEM areas of studies relative to social sciences and negative demographic trends. Because of that, HEI needs to think about how to be more competitive. If we regard competitiveness in terms of the marketing concept and customer orientation as its core dimension, then Higher Education Institutions (HEI) competitiveness can be increased by improvements or changes in solution, access, value, and education to existing and potential customers. To understand expectations from HEI two questions need to be answered: how do they (employers, students) perceive the value they get from HEI and how can HEI deliver that value? Employers expect to get employees who are ready to work and solve business problems from the first day. Students, on the other side, expect to receive knowledge and skills that will ensure their*

*employability without problems. This paper presents expectations, activities, and desired outputs of Erasmus+ INTENSE project and the possible effects of it. These project features are analyzed in the context of SAVE framework, which is an outcome-based approach and perceived to be a good guiding tool for changing the thinking of HEIs and their way of defining the product and its value to customers, thereby increasing its competitiveness.*

**Keywords:** *entrepreneurial skills, higher education institutions (HEIs) relevance, INTENSE project, SME competitiveness, students' employability*

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## **THE ROLE OF MANAGERIAL ACCOUNTING IN THE CROATIAN HOTEL INDUSTRY – EMPIRICAL RESEARCH**

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### **ABSTRACT**

*Managerial accounting is a business function that encompasses techniques and processes for obtaining financial and non-financial information to make better decisions and to prevent and*



*minimise business risks. This paper explores the role of managerial accounting in the quality and environmental management system in the Croatian hotels, since 21<sup>st</sup>-century hotel services require constant quality improvement while preserving the environment through sustainable development. However, improving the quality of services in the hotel industry is a cost that is difficult to categorise unambiguously in the framework of accounting. By contrast, environmental costs are measurable and mainly governed by regulations and standards, and the consequence of deviations from the regulation is also measurable. Therefore, in the spring of 2019, the authors conducted a survey and the respondents were members of boards of hotel companies, CEOs or managers in specific business areas. The empirical research was focused on exploring personal attitudes and reflections of relevant hotel management stakeholders on the functions of managerial accounting in the hotel industry in the quality and environmental management system. The survey results were processed using the IBM SPSS Statistics 24 programmes, and the general conclusion is that the accounting systems for monitoring all costs of quality and environmental protection management are indispensable management accounting factors without which it is difficult to manage a hotel in an increasingly demanding market and market competition.*

**Keywords:** *managerial accounting, quality accounting, environmental accounting, Croatian hotel industry*

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## RECALL OF DIGITAL CONTENT AS PART OF CONSUMER RESPONSE MODEL

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### **ABSTRACT**

*It appears relatively easy for most of the people to answer the questions such as “what is today’s date” or “describe experiences when you first started your current job”. However, if someone asks “what is the color of the last advertisement you have seen” or “what was the tittle of the newspaper article you have read this morning”, the answers might differ, not only in content but also in the actual recalling. The fact that humans can store and retrieve much information is incontestably fascinating. However, the brain has limited capacities. The question is what makes the person remember some items and contexts and forget others. This study explores the connection between attention and recall by implementing combined eye tracking and laddering interview method. The attended and recalled elements are part of the simulated website in the form of images and text and presented to the generation cohorts Y and Z. The results show that in the short-term memory, the objects that receive the highest attention are remembered better with both cohorts despite the type of the content. However, in the longer time span, the evidence shows that the form of the content influences the remembered exposure with generation Z especially. The results of this study may alter managerial preferences for the optimal content presented on the websites that should correspond to their strategic goals, such as making content marketing more memorable.*

**Keywords:** *Consumer response, Online content, Recognition, Recall*

## **DEMI MODELS' APPLICATION IN VARIANCE ANALYSIS**

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### **ABSTRACT**

*Variance analysis is a key task of controlling. The quality of this analysis is a key precondition for the manager to make decisions. The task of the controller is to produce analytical reviews of the variances in timely manners. Demi models, which perform variance analysis, are being developed and applied for such reviews. It is important to understand that the Demi model is an analytical comparison of two sets of the same structure. The synergic effects of the partnership between managers and controllers mostly depend on the quality of diagnosis provided by these models. In this paper, we will present two of the most important and complex models of classical deviation analysis: analysis of sales variance and direct material variance analysis. Business result distributions are a plan and a realization. On the basis of such diagnostics, the determination of therapy, which is expressed in the form of a corrective action plan, follows.*

**Keywords:** *diagnose, target, variance*

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## **MODELLING OF MILITARY EXPENDITURE OF THE CZECH REPUBLIC**

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### **ABSTRACT**

*Within the EU, the economic environment of the Czech Republic belonged to dynamically developing environments characterized by an above-average speed of economic growth. The economic crisis affected the Czech Republic via a decline in domestic and foreign demand, reflecting in the slowing speed of economic growth. The growing deficit of public finances, together with growing indebtedness, made the government accept a number of anti-crisis measures lying in the regulation of the income and expense side of the state budget. The military expenses as a part of government expenditure were considerably reduced during the economic crisis and currently they form only 1.1% of the GDP. The current change in the security environment provoked a debate on long-term underfinancing of the department of defence in the Czech Republic and acknowledging the responsibility for the country's security. Measures accepted in consequence of the changing perception of security threats will contribute to increasing military expenses to at least 1.4% of the GDP in 2020. The contribution focuses on military expenditure modelling and its economic determinants using the Autoregressive Distributed Lag (ARDL) model. This model is applied to economic data of the Czech Republic over the period 1993–2018. To quantify the determinants of military expenditure, the authors selected data from the database of the Czech Statistical Office defining economic determinants of the military expenditure. For modelling, the following macroeconomic and fiscal variables*

were used: gross domestic product per capita, inflation, government deficit, government debt. According to the estimated model, the authors compute and simulate possible future development of Czech military expenditure.

**Keywords:** ARDL model, Economic Determinants, Military Expenditure

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## **MULTITASKING IN PUBLIC ORGANIZATIONS - THE CASE STUDY OF A POLISH UNIVERSITY**

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### **ABSTRACT**

*A multi-threaded and simultaneous way of working and solving tasks is one of the challenges of modern management. Multitasking shapes the need for employees to have new skills, competences and a change in mentality, as well as to introduce a management system that will increase the efficiency of employees' activities. Skilful coping with multitasking contributes to a more*

*harmonious and balanced functioning of the organization. The problem of multitasking is usually analysed in the context of private enterprises, whose flexibility and capabilities are much greater than in the case of public organizations. Therefore, the purpose of the publication is to diagnose the phenomenon of multitasking among administrative employees of state universities in Poland (on the example of the city of Lodz). Three following hypotheses arise from the adopted main objective:*

- *Hypothesis 1: Multitasking is a tool that modifies the intensity and quality of tasks performed by the employees.*
- *Hypothesis 2: Multitasking is determined by the variety of employee attributes and tasks.*
- *Hypothesis 3: Employees are aware that multitasking changes the efficiency of their tasks.*

*Verification of a specific research hypothesis as well as inference in the context of the set goal determines the use of appropriate research methods and techniques in both qualitative and quantitative research. Empirical material was obtained using the questionnaire tool by the means of the CAWI technique and direct observation and desk research were used for qualitative research. The theoretical part of the article was based on the qualitative method, i.e. a review of the literature on the subject. Initial studies were conducted at the Faculty of Economics and Sociology of the University of Lodz. They are of pilot character and test the tool used. Subsequently, nationwide research is planned to be carried out at all state universities in Poland.*

**Keywords:** *competences, multitasking, public organization*

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## THE IMPACT OF FISCAL DECENTRALIZATION ON ECONOMIC GROWTH IN THE CEE COUNTRIES

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### **ABSTRACT**

*There has been a global trend of public sector decentralization over the last few decades, justified by the fact that transferring public revenues and expenditures from central to local government level is expected to deliver greater public sector efficiency, higher economic growth rates and better overall macroeconomic performance. In this paper, we empirically investigate if fiscal decentralization enhances or hinders economic growth in Central and European (CEE) member countries of the European Union. Using panel data for the period 1992-2012, we try to determine whether fiscal decentralization, measured as the share of local government revenues/expenditures in general government revenues / expenditures has a positive effect on the GDP per capita growth rate. According to our findings, fiscal decentralization has an adverse effect on the economic growth rate in the CEE countries. This is in line with the argument that in developing countries decentralization could fail to deliver the expected positive impulse on growth if certain economic and institutional preconditions are absent. A negative impact is also found to come from the size of the public sector and inflation. On the other hand, the improvement of the fiscal balance and the openness of the economy have a positive impact on growth.*

**Keywords:** *CEE countries, Economic growth, Fiscal decentralization*

**FORECASTING CORRECTNESS OF  
INCURRING CREDIT WITH THE AID OF E.I.  
ALTMAN'S, J. GAJDKA'S AND D. STOS'S  
DISCRIMINANT ANALYSIS MODELS ON THE  
EXAMPLE OF 200 STUDIED COMPANIES  
FROM OPOLE AND SILESIAN PROVINCES  
WITHIN 2010-2018**

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**ABSTRACT**

*The credit risk related to issuing credit for a company is mostly the result of too high amount of the incurred credit, wrong prediction of future periods and repayment of the incurred liability. In order to minimize risk, as part of information about a credited company, there should be technical and economic information enabling to conduct "collective evaluation of the company's activity" with the use of E.I. Altman's, J. Gajdka's and D. Stos's models. Both models were used in the group of the studied companies of Opole and Silesian provinces. The research showed that incurred credit contributed to improvement of the financial liquidity in both groups. However, credits of greater worth led to the lessened increase of net profit and contributed to the small decrease of companies showing net loss. On the other hand, the group of companies, in which credits of lower worth were incurred, could decrease the number of companies suffering from net loss.*

**Keywords:** *company, financial liquidity, credit, discriminant analysis, net profit*

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## **EFFECTIVE CORPORATE INCOME TAX RATE FOR FIRMS ON ZAGREB STOCK EXCHANGE**

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### **ABSTRACT**

*This paper deals with differences between book and tax reporting by observing nominal and effective income tax rate for companies that are listed on Zagreb Stock Exchange in period from 2014 to 2017. Problem arises from the book income and income tax base which is derived from book income by applying tax regulations. Based on the financial reports effective corporate income tax rate was estimated. Roughly, it can be said that there exist two parallel reporting systems, book system which is available for investors and general public and tax system which is not available for general public. Results showed unexpectedly large differences between nominal and effective corporate income tax rate and what is most surprising results showed that large number of firms reported negative financial results continuously in observed period. Despite general picture there exist sectors which reported profit and paid effective income tax rate which is above prescribed nominal tax rate. This paper opens large number of questions; does tax system allow managers to change strongly corporate income tax base, structural macroeconomic question - is it fair that only few sectors pay vast amount of income tax and are real information on firm's operations hidden in corporate income tax related report which is publicly unavailable.*

**Keywords:** *corporate income tax, effective tax rate, tax base, Zagreb Stock Exchange*

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## INTEROPERABILITY OF MACHINE LEARNING SERVICES: A USE CASE

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### **ABSTRACT**

*Machine learning has become very popular because the supporting infrastructure is now available for reasonable price and most companies have big data sources for solving problems in a high-dimensional space. There are many business use cases that show successful application of machine learning methods. However, machine learning methods are complex, so many cloud providers (e.g. Google, Amazon, Microsoft) have recently started to offer different machine learning services. SMEs often want to use multiple machine learning services of different cloud providers. In this work, we present current state-of-the-art of machine learning services interoperability research. Additionally, a real use case is implemented to show how SMEs can use two machine learning services of two different cloud providers in one application. Concretely, a web application has been developed by implementing machine learning services of two different cloud service providers. The following services are used within the practical example: text detection with the support of the Google Cloud Platform and text translation services with the support of Microsoft Azure. The idea of the practical example is to show the interoperability of the mentioned platforms.*

**Keywords:** *cloud, interoperability, machine learning, services*

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## USE OF PERFORMANCE MEASUREMENT METHODS IN CROATIAN FIRMS

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### **ABSTRACT**

*Performance measurement methods are important ways in communicating vision, mission and long-term goals. In today's changing environment it is imperative for organizations to be able to rapidly and efficiently respond to any unpredictable changes on the market, without rising costs, sacrificing quality, or slowing down the processes. Since it is important for every organization to monitor its goals and respond in swift and agile manner to the changes in the environment, this study aims to understand if Croatian firms are measuring their performance in achieving goals. Also, this exploratory research provides insights into relationship between the size of the firm and their goals, use of control and corrective activities, as well as primary reasons for implementing methods. The research found that Croatian firms mainly measure their goals and that they have implemented the performance measurement methods, but there is still considerable room for progress in their use.*

**Keywords:** *performance measurement, agile management, performance management, goal setting*

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## DEVELOPING EPICUREAN HERITAGE TOURISM: THE ROLE OF LOCAL FOOD AS A COMPONENT OF TOURISM IN BANGLADESH

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### **ABSTRACT**

*Bangladesh has very rich cultural heritage which is partially explored but the epicurean heritage remains completely unexplored. The culinary culture has been an area that has been ignored until recently. However, culinary culture is always the longest-surviving part of a culture and tradition. Cuisines, where many different identities of a society merge together, are a mirror of daily life styles, religious beliefs, habits, traditions and customs. Changes of eating style in societies and rising the value of eating socially have been one of the reasons for movements in tourism activities. Epicurean tourism has become a rapidly growing component of the fascination of tourism destination in recent years worldwide. In Bangladesh, the promotion of local food as a component of its destination attractiveness is in its infancy both at international and domestic level. Tourists' wishes to experience the local tastes in the destinations and accommodation facilities have prepared the ground for the development of epicurean tourism. The marketing opportunities to epicurean tourism are being developed by the countries given importance to that issue. This paper will attempt to address the heritage value of Bangladeshi cuisine and opportunities of Bangla food heritage promotion to attract epicurean tourists. The role of local communities in promoting culinary tourism as a part of country's epicurean heritage development will also be analysed.*

**Keywords:** *Epicurean heritage, culture, food, community tourism, Bangladesh*

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## **METHODS OF INTERCONNECTION PRICING SYSTEMS AND TECHNICAL DRAWING SOFTWARE**

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### ***ABSTRACT***

*The paper is focused on the analysis of the possibilities of interconnection of price systems for creating construction costs and software for technical drawing, in which they create BIM models, in order to achieve automation of valuation of BIM models of building objects. The article outlines the basics and principles of these methods and the current state of their implementation. The aim of the paper is to evaluate individual methods and analyze their potential.*

***Keywords:*** *BIM, Drawing Software, Pricing Systems*

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## **ENTRY EFFECTS UNDER STRATEGIC TRADE POLICY WITH UNIONIZED FIRMS**

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### **ABSTRACT**

*The presence of unionised firms, especially in oligopolistic contexts, as well as the increasing importance of international trade are evident stylized facts of the contemporary world economy. In the last decades, international trade restrictions have been largely reduced through economic agreements associated with World Trade Organization and regional economic integration agreements such as the European Union. The implications of increased trade for labour market outcomes become progressively important. Therefore, the international trade literature, making use of a game-theoretical approach, has considered the case of trade in imperfectly competitive product markets between economies with unionized labour markets. In this paper we investigate the effect of entry of a firm in a standard third-market model with strategic trade policy and Cournot duopolistic competition, when firms are unionized under alternative labour market institutions, i.e. Right-To-Manage (RTM) and Efficient Bargaining (EB). The features of these negotiations are that wages are negotiated i) sequentially, that is before output decisions, in case of RTM; or ii) simultaneously with employment in case of EB. As regards the relationship between unionization under the two arrangements and the possibility of entry of a firm, it is shown that the presence of unions plays an opposite as structural barrier to entry, depending*

*on whether the bargaining agenda is RTM or EB: in the former (latter) case unions tend to impede (incentivize) entry of a firm. This means that the market structure and the shape of competition in international markets may depend on the prevailing labour market institutions. More precisely, it is shown that the competitive structure of the unionized industry strictly and necessarily depends on the incumbent and potential entrant's negotiation agendas.*

**Keywords:** Cournot duopoly, Efficient Bargaining, Export subsidy, Right-to-Manage

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## **THE INFLUENCE OF CORPORATE SOCIAL RESPONSIBILITY (CSR) ON BRAND EQUITY**

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### **ABSTRACT**

*This paper deals with the effects of corporate social responsibility (CSR) on brand equity. Current research suggests that consumers are looking for brands that provide them with a unique experience and the CSR activities are able to achieve this goal. The companies are making significant efforts to differ from their competitors. The CSR policies can create mutual trust, satisfy*

*customer needs and subsequently induce the purchase. Corporate social responsibility seems to be an important factor for increasing the brand equity as it can help to develop relationships based on satisfaction and trust, resulting in customer loyalty. If the company is able to satisfy its customers, it can generate higher profits from a long-term perspective. The aim of our research is to analyse the relationship between CSR and brand equity components such as brand experience, satisfaction, trust and loyalty. When drafting the aim of our research, we used the existing theoretical knowledge on the issue. Our research was based on the existing research conducted abroad, which we applied to our conditions. We tried to identify most important aspects of CSR in terms of building brand equity, which was divided into four components - Brand experience, Brand satisfaction, Brand trust and Brand loyalty. Subsequently, we managed to create a statistical model in IBM AMOS 23.0, in which we included several variables and analysed their estimated impact. Despite the above, we are aware of the need to deepen our research and extend the sample size in the future.*

**Keywords:** *Corporate social responsibility, Brand Equity, Brand trust, Brand experience, Brand loyalty, Brand satisfaction*

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## **ECONOMIC POLICY ASPECTS IN MANAGING LABOUR EMIGRATION FROM UKRAINE**

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### **ABSTRACT**

*Pointed out that the status quo in labour emigration issue from Ukraine associates with Market Failure requiring Government Interference. The major provoking factor is insufficient salaries*



*level, causing businesses to close, reducing economic activity and obstructing GDP growth. In the research the ways to build up revenues for Actual Employees are examined on the short-term and long-term basis. As a result, the temporal Subsidy Policy and its particular principles as Economic Policy Mechanism are offered in the way that doesn't contradict with WTO requirements and doesn't violate Market Efficiency.*

**Keywords:** *Labour Emigrants, Remittances, Exploitation Index, GDP Energy Consumption, Subsidy Policy*

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## **TEACHING THROUGH SOCIAL NETWORKS IN HIGHER EDUCATION: IS THERE IMPACT ON STUDENTS' ENGAGEMENT?**

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### **ABSTRACT**

*The purpose of this paper is to highlight the need for implementing social networks in educational process in order to increase students' engagement, satisfaction and loyalty. The objectives of the study are threefold: firstly, to determine whether*

*online social networking has an impact on online students' engagement; secondly, to determine the relationship between online students' engagement and students' satisfaction and thirdly to explore the relationship between students' satisfaction and students' loyalty. The three hypotheses were established based on the previous research and were tested by empirical research on a sample of 278 respondents. The hypotheses were validated by partial least square structural equation modelling (PLS-SEM). The research confirmed the positive relationship between the online social networking and online students' engagement. Also, the research results pointed out that students' loyalty to a higher education institution is positively affected by the overall students' satisfaction. Implications for higher education institutions as well as limitations and suggestions for further research were determined.*

**Keywords:** social networks, online students' engagement, satisfaction, loyalty, higher education

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## **THE ANALYSIS OF COMPANIES OF THE FUEL SECTOR BASED ON THE EXAMPLE OF COMPANIES QUOTED ON THE WARSAW STOCK EXCHANGE IN POLAND AND THEIR FAIR VALUE BETWEEN 2009-2019**

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### **ABSTRACT**

*This paper examines share price of the companies listed on the WIG-FUEL and their fair value between 2009-2019. Data from 2009 to 2019 were collected from the Stooq.pl (Polish portal of shares). Two hypotheses are tested: (1) value of the shares based*

*on the market price; (2) value of the shares as the fair value of shares. The fuel market was analysed and characterised, also the companies participating in it were described. Nevertheless, the market value of shares does not reflect the fair value of the shares which is currently assigned to different companies in the sector. The research analysed the key financial ratios, the actual value of shares; also the fair value of the fuel sector companies listed on the Warsaw Stock Exchange was calculated.*

**Keywords:** *stock exchange, share valuation, fair value, companies, WIG-FUEL*

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## **ROLE OF EDUCATION AND TRAINING ON INCOME IN DIFFERENT REGIONS OF LATVIA**

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### **ABSTRACT**

*Latvia is often criticised by international institutions on rising gap for income differences in several social groups. This current research is devoted to analyse of role of education and training*

*on income level. Research methods used: scientific publications and previous conducted research analysis, analysis of EU-SILC data on differences in income depending from education level, from regions and from territory (urban/rural), interviews of regional authorities on life-long training arrangements and applications in regions with lower income level. Data analysis methods: descriptive statistics (indicators of central tendency or location, indicators of variability), cross-tabulations of household income by regions, by education level, by territories, testing of statistical hypotheses on differences of arithmetic means by t-test, by analysis of variance (ANOVA) for significance of income differences by regions and by education level. Results of analysis has indicated that several innovative approaches could be applied to find best solutions for income difference decrease and increase of overall satisfaction with life.*

**Keywords:** Education and training, EU-SILC, Income differences, Regions, Welfare

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## **SALES CHANNELS AND MEDIA DIGITALIZATION IMPACT ON PEOPLE VOLUNTARY SAVINGS FOR RETIREMENT**

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### **ABSTRACT**

*Due to the implementation of new technologies and orientation on digital solutions the communication and sales channels have changed dramatically. Information and client service on-line*

*availability presents strong advantages for business, state agencies as well as customers. However, lack of personal interaction during the communication and sales process can make it difficult for people to understand and even frustrate their desire for a product or service. The purpose of the research is to analyse the digitalization impact on voluntary savings for retirement in Latvia and make comparisons with other countries. The voluntary pension schemes are the part of pension system and its third pillar created to strengthen and foster sustainability and adequacy of people income level after retirement. Main stakeholders in voluntary savings for retirement are pension funds as well as government agencies carrying out the national pension system policy. Among other motivation factors the people knowledge level about the necessity to participate in third pension level causes their willingness to create voluntary savings. Service providers chosen marketing and governments realized legislation policy impact the level of people engagement in private pensions and make a basis for people retirement period living standards. Research methods used are analysis of scientific publications and previous conducted research, analysis of statistical data and sales and communication channels in Latvia. The results of analyses show the challenges that service providers are facing and steps that should be taken to promote the voluntary savings in a digital era.*

**Keywords:** *Communication, Digitalization, Financial literacy, Pensions, Voluntary savings*

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## THE ADJUSTED ACQUISITION PRICE AS ONE OF THE PARAMETERS OF THE MEASUREMENT OF FINANCIAL INSTRUMENTS

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### **ABSTRACT**

*Amortised cost according to the International Financial Reporting Standard 9 and the adjusted acquisition price according to the Accounting Act should be considered in the context of the measurement of financial instruments. The issues relating to financial instruments are regulated by the Accounting Act, the Regulation of the Minister of Finance, and the International Accounting Standards. Article 3 of the Polish Accounting Act defines a financial instrument as a contract that causes financial assets to arise for one of the parties and a financial liability or an equity instrument for the other, provided that the contract concluded between two or more parties has unambiguously economic effects, irrespective of whether the performance of the rights or obligations under the contract is of conditional or unconditional nature. Under the Accounting Act, financial instruments do not include in particular:*

- a) deferred income tax assets and provisions,*
- b) financial guarantee agreements under which the obligations resulting from a guarantee granted take the form of payment of amounts equal to the losses incurred by a beneficiary as a result of a debtor failing to pay its liabilities in due time,*
- c) contracts for the transfer of rights under securities in the period between the conclusion and the settlement of a transaction, where the performance of such contracts requires a delivery of securities within a specified time, also when the transfer of such rights takes the form of an entry made in a securities account maintained by an entity licensed under separate legal regulations,*

- d) *assets and liabilities resulting from schemes under which employees and other individuals or entities connected with an entity are vested with participating interests in its capital or in the capital of another entity belonging to the same capital group,*
- e) *business combination agreements, generating the obligations specified in Article 44b Section 9.*

**Keywords:** *the adjusted acquisition price, financial instruments*

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## **FILLING THE GAP: SOCIAL, URBAN AND TRANSITION DESIGN FOR BUILDING RESILIENT SOCIETIES**

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### **ABSTRACT**

*This paper explores what does the concept 'resilient society' represents in the current literature and how it trended over time. It finds that, for the most part, the discourse has mainly adopted a technical and economical point of view. This paper assumes and argues that, however, even though those parts are important, they are not single-handedly sufficient. It had already become increasingly hard to solve today's complex problems with a purely technical approach. Both society and the burning problems of today have moved to the social dimension. In order to make a contribution in this direction, this paper investigates the relationship of integration of social, urban and transition design and co-creation within the "building a resilient society" concept. It finds ways of aligning that with the current technical perspective and it makes the case for co-creation taking place for building a resilient society, or in this context "community design". Lastly, it argues that building new resilient societies of*

*“tomorrow”, in order to successfully aim to solve the problems of “tomorrow”, needs to be based on the holistic model of sustainability, which incorporates four dimensions: social, cultural, environmental and economic. It explains the current discourse on the economic dimension, draws similarities with designerly way of thinking and proposes solutions on how to build resilient societies sustainably.*

**Keywords:** *Co-creation, Resilience, Social Design, Transition Design, Urban Design*

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## **THE ROLE OF CORPORATIONS’ SOCIAL CONTRACTS IN THE RUSSIAN SOCIETY DEVELOPMENT**

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### **ABSTRACT**

*In the context of the specific “transnational economy” that has developed in the world economic space, transnational corporations (TNCs), as its main actors, have to interact with national and regional socio-economic systems, while exerting a*



*contradictory effect on their development. The choice of the optimal mechanism for the interaction of TNCs with the socio-economic environment is, therefore, a necessary condition for its competitiveness. The aim of the article is to analyze the laws, methods and mechanisms of interaction between the parent TNCs and the basic components of the socio-economic systems of Russian society. The emphasis in the analysis is placed on the consideration of subject-subject relations, as the interaction of two entities, the roles of which are, on the one hand, subsidiary and dependent units of corporations, and on the other, the institutions of society, which develop the employees' competencies of employees. The authors suggested their own concept of a social contract and its classification of a social contract between firms and groups of society in the article. The research methodology is determined by the paradigm of system analysis and the principles of neo-institutional economic theory. The article notes the contradictions between the development goals of TNCs and society, the problems of subordination of social development to corporate goals through the control of the basic mechanisms of human capital developing by firms. The conclusions are made regarding the place of TNCs in the social relations structure of in terms of social interaction and the of human capital development .*

**Keywords:** *socio-economic systems, social institutions, social contracts, corporate social responsibility, parent TNCs, human capital*

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# **THE POLISH INVESTMENT ZONE AS A NEW SOLUTION FOR SUPPORTING INVESTMENTS AND SUSTAINABLE REGIONAL DEVELOPMENT**

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## **ABSTRACT**

*Poland as a country that went through the political and economic transformation has significant experience in supporting the investments and regional development. Already in the 1990s, Special Economic Zones (SEZs) were established in Poland. In accordance with the laws, the end of SEZs in Poland has been scheduled for 2026. Without waiting for this moment, in 2018 it was decided to introduce a new instrument supporting the investments. The whole country has become the Polish Investment Zone (PIZ). The aim of this article is twofold: 1) to present the basic assumptions of the new solution regarding the support of investments in Poland and the first experience of various stakeholders resulting from the implementation of this solution, 2) to indicate how the new instrument helps to fulfil the objectives of sustainable development. In order to achieve the main objective of this paper, the author performed analysis of reference literature, legal acts and documents published during the legislative process, as well as reports and publications of public institutions and consulting companies, the information published by the Ministry of Entrepreneurship and Technology, and boards of SEZs in Poland. The paper provides formal and legal grounds for the new instrument and modes of its implementation during the time when SEZs and the Polish Investment Zone will still be in operation in parallel for several years. The paper compares the „old” and „new” models of investment support in Poland and presents the basic quantitative and qualitative criteria. The main objectives related to the implementation of the new instrument have been analysed,*

*regarding in particular meeting the assumptions of sustainable development. The paper presents the expectations as well as concerns related to this solution, expressed by various groups of stakeholders. The first experience in Poland may constitute guidelines for countries planning some changes in supporting the investments.*

**Keywords:** *Polish Investment Zone (PIZ), support of investments, Special Economic Zones in Poland (SEZs)*

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## **FREE COMPETITION AND FISCAL POLICY IN EUROPEAN UNION**

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### **ABSTRACT**

*Fiscal policy and the harmonization of tax laws are extremely important in order to prevent distortions of free competition in UE. The process of European Union construction is based on integration and liberalization of markets in order a loyal and free competition. This issue is really important in order to crisis superaction. In this context the fiscal policy has a very significant impact on countries economics in EU and on company's management, especially for those most exposed to globalization. The impact of taxes on free competition, economic growth and employment is quite evident since the EU foundation. So, it would be expected a more significant progress towards fiscal harmonization among EU countries. However, until now the question of tax harmonization had no results. It remains a sensitive question in EU. Almost two decades after the entry of the Euro, after a deep economic crisis that endangered the*

*European project, face to BREXIT, we raised some questions as base to this work: what are the political and institutional limitations to tax harmonization in EU? Why there are no further progress was made in the field of tax harmonization, at least, in company's income? How does this affect social cohesion? What are the effects on economic and social cohesion? This study intends to reflect on the political and institutional constraints of the tax harmonization, quite necessary to the effective process of economic and social integration within the EU. As methodology, we will use a comparative study about income taxes in several EU countries and the relation to GDP, as well the deductive method to analyze the results we find and some reference studies on the subject. In conclusion, we will present the analyze the results and try to answer to these questions. With this study we pretend give a contribution in order to find an answer to the investigation questions.*

**Keywords:** *Economic and Social Cohesion, Fiscal Policy, Free Competition, Tax Harmonization in EU*

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## **COOPERATION BETWEEN NON- GOVERNMENTAL ORGANIZATIONS AND COMPANIES (POTENTIAL POSSIBILITIES - REAL LIMITATIONS)**

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### **ABSTRACT**

*The article discusses cooperation between non-governmental organizations and companies in Poland. The main objective is to indicate the potential possibilities and real limitations in cooperation in the light of the results of two case studies and results of qualitative research carried out in 2019. The results of*

*the study lead to conclusions about the direction of cooperation in the future. Multidimensional work on social awareness would be important for future cooperation. In this context, the role of education on social solidarity, especially in a given region, is needed. The two examples of cooperation are a small step in this process. It is necessary to understand the essence of NGOs' social work by companies and the essence of enterprises' activities by non-governmental organizations. Building long-term cooperation is a real challenge.*

**Keywords:** *Company responsibility, Cross-sectoral cooperation, Non-governmental organizations, Paid work, Social responsibility*

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## **KEY INDICATORS OF ENTERPRISE FINANCIAL HEALTH: CASE STUDY IN THE CZECH REPUBLIC**

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### **ABSTRACT**

*Works dealing with the enterprise financial health and bankrupt have already appeared in the 30s of the 20th century. The question of financial health and bankrupt is principled for many enterprises, especially in the current turbulent economic*

*environment. The fear of bankruptcy forces enterprises to look for key economic indicators of early warning of this situation. An assumption for paper research is the existence of several variables, financial ratios, which could be key for enterprise financial health assessment. The main of the paper is to find an existence of statistically significant variables for the assessment of the financial health of the enterprise, under the condition of the Czech Republic. The methodology of the research will be based on regression and correlation analysis. For statistical testing, the statistical software XLSTAT will be used. The research data will be contained financial statements of 9,500 enterprises from the Czech Republic in 2018. The starting point, dependent variable, the value of enterprise equity will be represented. Its negative value will be determined bankrupt of an enterprise. Subsequently, other research will try to find other variables from the area of enterprise financial health assessment which could have a statistically significant relationship with an independent variable. These independent variables will come from the area of liquidity, profitability, activity and indebtedness of enterprise. Research theoretical findings bring a review of the scientific literature development for issue of enterprise financial health and bankrupt. For the scientific community, the paper findings represent sources of potential enterprise financial health indicators which can be used for the creation of the new model of enterprise financial health valuation in future research.*

**Keywords:** *Prediction, Financial health, Financial ratios, Bankrupt, Correlation*

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## **MONEY SAVING - THE CHANCE FOR A HAPPY OLD AGE**

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### **ABSTRACT**

*The phenomenon of aging at European level is a worrying reality in the aspect of economic and social solutions. A quarter of the European population is pensioners. The forecasts for the coming decades reflect an imbalance in the ratio between the working population and the retirement age population. In Romania, pension systems are facing great difficulties in fulfilling their "pension promises" due to increased unemployment, decreased economic growth, increasing public debt levels and volatility of markets Financial. In addition to increasing the retirement age, the education of the young population in the spirit of saving through private pension programs or the unit-linked programs can be the solution to the "swan song". Dinamic Invest is one of the most stimulating investment programs with the insurance component. This unit-linked type program offers the possibility of choosing the investment according to the inclination of each person to the risk and of his investment options, due to the existence of a complete investment structure. The flexibility of choosing between six investment options in Euro and three options expressed in national currency - denominated leu - is another challenge for Romanian citizens aged 15-65 years. Another advantage offered by Dinamic Invest is the flexible duration of the investment (5-55 years) as well as the possibility of repurchase and reinvestment during the entire period of the contract. Romania has an important investment market in saving programs.*

**Keywords:** *assurance, investment, pension, saving, unit-linked*

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## **EMPLOYMENT OF PERSONS WITH DISABILITIES AND THEIR ROLE WITH EMPLOYERS**

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### **ABSTRACT**

*The paper analyzes the role of persons with disabilities in employers and the impact and role of persons with disabilities on the labor market. The main problem faced by people with disabilities is their low representation in the labor market and discrimination by both society and employers. It is worth pointing out the unemployment of persons with disabilities, which is several times higher than the average unemployment in society, which is often the result of prejudices themselves. A working man can show and prove that he is worthy and capable of working, learning and developing, earning a living wage and thus securing a livelihood. Persons who are capable and willing to work without being given the opportunity are greatly restricted and denied not only the right to work, but other fundamental human rights. The work helps us to achieve positively valued social roles, self-esteem, enables communication with the environment, contributes to creating a positive image of ourselves and our values and is a prerequisite for self-actualization. In line with the*



*problem, research goals have been set that are aimed at supporting the marginalized group of people, that is, people who are particularly "vulnerable" in the labor market, in order to recognize the need to create incentives and regulations within the system that would result in a better position and greater the inclusion of people with disabilities in society. This paper analyzes the data collected from the labor market questionnaire from different employers who have different legal form, size and number of persons employed in different markets. Basic statistical methods are used in data processing. The results of the research confirm the hypotheses. Social action that will result in the necessary changes and facilitate equal participation of persons with disabilities in all areas of social life should be encouraged.*

**Keywords:** *disability, disabled person, human potential, rehabilitation, employment, work*

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## PERCEPTION OF QUALITY OF HOTEL SERVICES

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*The paper presents selected attributes of the quality of services of a selected company in the hotel industry with regard to gender and age of respondents. The aim of the paper is to compare and find correlation within the level of quality of accommodation, quality of services, offered activities, attractions, and prices for services provided between men and women and within age. We conducted the research using a questionnaire method. The research sample consisted of 121 respondents aged 23 to 68 years, while maintaining the proportionality of the gender. The results of the research did not confirm statistically significant gender differences in the level of examination of selected attributes of quality of services of the selected hotel. We noted the interdependencies of selected attributes, statistically significant relationships between age and room quality assessment, satisfaction with additional services provided, satisfaction with gastronomy and satisfaction with the price for provided services.*  
**Keywords:** *Customer Satisfaction, Gender Differences, Hotel Services, Perception of Quality*

## **DEVELOPING BUSINESS - IT ALIGNMENT SKILLS THROUGH DATA MANAGEMENT: HIGHER EDUCATION EXAMPLE**

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### **ABSTRACT**

*Business-IT alignment (BITA) skills are one of the top concerns in companies since a misunderstanding is a common issue between the business units and the informatics department. BITA is becoming even more important with the challenges that the digital transformation is posing. Accordingly, top-level managers coming from the business domain are expected to have profound knowledge about information technology (IT) and related topics. The goal of this paper is to present an educational approach for developing BITA skills in the graduate-level course of Data Management in Business Administration university program. A project assignment is designed with the purpose of strengthening the BITA skills of business students. Additional objectives of the project are related to the learning outcomes of the course. Those include acquiring knowledge about databases and database modeling in order to empower students for gaining insights from data and recognizing the opportunities for business improvement in the digital economy. In order to meet the research goal of the*

*article, the steps in the project assignment are shown. Students are required to simulate a business environment. Firstly, the business environment of a company which is encountered with digital disruption in their industry is designed. After that, actions for business improvement are defined. Then, modeling of a relational database that can support subsequent business requests is carried out. In the end, programming skills in SQL are applied to gain quality information needed for business actions. The presented project assignment incorporates a combination of business, IT, and digital skills which foster business development. Since employees and managers with strong BITA capabilities help companies to mitigate risks of losing time and money, and overseeing business opportunities for growth, the presented educational approach can be of great value to educators in higher education and business.*

**Keywords:** *Business-IT Alignment, Data Analysis Skills, Digital Skills, Education, Relational Database Modeling*

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## **A COMPARATIVE STUDY OF MULTIPLE- CRITERIA DECISION-MAKING METHODS: THEIR USE IN MODEL EXAMPLE OF FINANCIAL HEALTH**

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### **ABSTRACT**

*Decision-making is common part of business practices. It is a part of management. Multiple-criteria decision-making (MCDM) or multiple-criteria decision analysis (MCDA) is defined as a sub-discipline of operations research that explicitly evaluates*

*multiple conflicting criteria in decision-making. The quality of multiple-criteria decision-making process significantly influence results and effectivity of organizations. At present, decision-making cannot be defined as a random process. Multi-criteria decision-making has been one of the fastest growing problem areas in many disciplines. The central problem of multiple-criteria decision-making process is how to evaluate a set of alternatives in terms of a number of criteria. There are several methods available and their quality is hard to determine. Some of them are simpler, less time consuming, without the need to use computer technology, others quite the contrary. The efficiency of the method is influenced mainly by the difficulty of the decision-making problem, but also by the abilities, knowledge and experience of the manager. The question 'Which is the best method for a given problem?' has become one of the most important and challenging ones. The aim of the contribution is to describe and present on practical example results of selected methods of multiple-criteria decision-making. Multiple-criteria decision-making methods are studied in the context of financial health assessment. The approach is to compare the functionality and the results provided by different selected methods. There is no „the best” MCDM method discovered and presented in the study, there is an information about the performance of the selected methods in the content of model example.*

**Keywords:** *Decision-making, financial health, multiple-criteria, TOPSIS, WSA*

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**DISRUPTION ANALYSIS OF THE ARMY  
PERSONNEL IN THE IMPLEMENTATION OF  
WEAPONS MODERNIZATION SYSTEM (CASE  
STUDY: LEOPARD MAIN BATTLE TANK  
CAVALRY BATTALION)**

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**ABSTRACT**

*The military capabilities enhancement in the world has changed battle model oriented to the concept of war which requires modern defense supported by weapons technology, high mobility, massive long-range shots, accurate and a large lethal force. As a rule, modern weapons supported by advanced technology will reduce the use of humans/personnel in the unit that owns it. This is in line with the Indonesian government's policy of zero growth and right sizing for the state apparatus, including military personnel. Modernization of Army tank weaponry has been carried out by purchasing "Leopard" main battle tank and manned by certain cavalry battalions. This modernization has led to increasing in the number of personnel of tank crews and supporters in the cavalry battalion. In this research "disruption"*

*did not affect reducing of personnel but increasing the number of Army personnel because of the implementation of the "ROK 2013" (MBT organization). The Army has anticipated the changes of defense technology due to Industrial Revolution 4.0 and the era of Disruptive Innovation, by changing the grand theory of the Army's human resource management. The Cavalry Battalion which manned 2 A4 and 2 RI "Leopard" Main Battle Tank must master its technology through Transfer of Technology (ToT) to deal with the era of the Industrial Revolution 4.0 and Disruptive Innovation.*

**Keywords:** *Disruption analysis, Leopard Main Battle Tank, Army Personnel*

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## **OVERALL LIFE SATISFACTION IN LATVIA**

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### **ABSTRACT**

*The concept of life satisfaction has always been important part of providing well-being of population. Life satisfaction of inhabitants of the country is becoming a greater challenge for country to solve as it affects both personal and professional life of citizens and performances that are made in these fields therefore it is necessary to be aware of the current situation in order to know in what situation Latvia is, what are the challenges and what needs to be improved in the future. The purpose of the study is to analyse overall life satisfaction development in Latvia by gender, age group and education level.*

*The tasks of the study:*

- 1. to analyse different approaches of theoretical findings reflected in scientific publications and previous conducted research results of overall life satisfaction;*
- 2. to investigate existing research findings of overall life satisfaction in the regions in EU and OECD countries;*
- 3. to analyse main factors and problems affecting overall life satisfaction among inhabitants of Latvia.*

*Research methods used in preparation of the paper: scientific publication and previous conducted research results analysis and analysis of Central Statistical Bureau of Latvia conducted survey data on Quality of Life results. Survey results are analysed using indicators of descriptive statistics (indicators of central tendency or location – arithmetic mean, mode, median), indicators of variability (indicators of dispersion – range, standard deviation and standard error of mean), cross-tabulations by age groups, by gender, by education level and by type of household. The results of analysis indicated that Latvia is among the most dissatisfied countries in Europe and for decision makers there are several challenges that need to be overcome.*

**Keywords:** *Life satisfaction, Quality of life, Well-being*

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## **CLUSTERS AS A FORM OF EFFECTIVE COORDINATION OF INNOVATION POLICY IN THE CONTEXT OF DIGITAL ECONOMY (CASE OF THE RUSSIAN FEDERATION)**

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### **ABSTRACT**

*The author analyzes the role and importance of clusters in the innovative development of the Russian economy on the example of the chemical industry. The coordination function of clusters in reducing transactional costs and increasing the controllability of the processes of development and implementation of innovations in the new conditions of the digital economy is highlighted. The initial objective of cluster formation in Russia was to help crystallize regional competitive segments of the emerging market economy. The key advantage of clusters in the digital economy is its higher competitiveness due to the interconnections of participants, which can also be defined differently through the principle of rapid and logistically effective feedback on both challenges and opportunities available to individual participants (synergy effect).*

**Keywords:** *clusters, innovation policy, coordination structures, chemical industry, economic development, digitalization, efficiency*

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## **HOUSING AFFORDABILITY AS THE MOST SIGNIFICANT SOCIO-ECONOMIC INDICATOR**

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### **ABSTRACT**

*Housing is known to be vital in the facilities system of social infrastructure. The need for it is considered a basic one along with the needs for food and clothing. Thus the issue of housing is of continued relevance. Shaping of the housing system in the Russian Federation based on market mechanisms of housing provision also made the issue of determining overall trends in housing affordability urgent. This is of great significance in the implementation of public housing policy. There exist various methods of calculating the availability index each one corresponding to objectives of the research. The development of mortgage lending necessitated new approaches to analyzing the population ability to repay (service) the loan and to down pay. The article contains such calculations for the Novosibirsk region population. The obtained results of affordability indices calculations showed that mortgage lending had become an actual way to purchase housing, especially economy class one by a significant part of the population, even by those who do not have adequate earnings. However, it hardly efficient to expand the private housing sector by creating conditions to purchase it by the disadvantaged as they will not be able to maintain the housing. It is essential to search for new tools to increase housing affordability. Solution of the problem can be viewed in terms of*

*the preserving and developing the municipal housing properties and social housing rental, rental in apartment buildings supported by regional and municipal authorities. The authors assume that a valuable experience was obtained by the countries of developed market economies, to use in housing policy of the Russian Federation*

**Keywords:** *housing affordability, mortgage arrears, mortgage*

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## **ANALYSIS OF THE LABOUR MARKET IN CROATIA**

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### **ABSTRACT**

*A highly productive labour market, characterized by a high level of labour skills, knowledge and discipline, is a key prerequisite for economic growth. However, labour markets are rather complex. The demand for labour, as well as its supply, depend on a number of factors, often specific for a particular economy. This paper aims at providing an analysis of the labour market trends in Croatia in comparison to its counterparts within the EU28. Croatian labour market indicators imply one of the highest unemployment and lowest employment rates in comparison to other EU28 countries, especially regarding youth unemployment. The analysis also implies high labour costs in comparison to other post transitional EU economies, high wage rigidity as well as employment protection regulation rigidity. At the same time, relatively high labour costs are not accompanied by high labour productivity, as they should be. The observed negative labour market trends cannot be entirely explained by the cyclical movement of the Croatian economy. Dealing with the challenges*

*of the Croatian labour market makes it necessary to take a broader perspective into account as well as the complexity of the transitional heritage. Improvement of the labour market situation in Croatia requires a strategic approach including a wide range of strategically coordinated policy measures at national level.*

**Keywords:** *Croatian labour market, EU28, (un)employment*

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## **CONSTRUCTING AND TESTING INSTRUMENTS FOR MEASURING STUDENTS' PERCEPTIONS OF A UNIVERSITY AND ITS SMART DIMENSIONS**

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*Following the results of a recent study that focused on the difference in the perceptions of the two cities, a pilot study was conducted with the variables contextualised from a city to a university setting. The aim was to explore smart city concepts in the context of universities as they are seen as early adopters of technologies that make students' lives easier and the university more attractive. Starting from the original model, the focus is on the contextualisation of the research variables – the perception of university management, fellow students, and Perceived External Prestige (PEP) as antecedents of university affective commitment. The research is further extended by exploring the*

*effect of smart university features across standard six axes or dimensions (smart economy, smart mobility, smart environment, smart people, smart living, smart governance). The paper presents the preliminary survey results, including the construct validity using exploratory factor analysis and reliability using Cronbach's Alpha.*

**Keywords:** *smart university, students' perceptions, university commitment*

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## **THE REGIONAL DIMENSION OF POVERTY - THE ROMANIAN CASE**

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### **ABSTRACT**

*Although the global social phenomenon of poverty has always existed, lately it has brought the attention of scientists more and more. The explanation is given by the fact that poverty has characterized and continues to characterize not only poorly developed countries but also developed countries. This fact implies the need to measure and monitor its evolution through specific indicators. The Europe 2020 strategy, set at the EU level, also aimed at increasing employment, with direct implications on the level of poverty. The present paper focuses on analyzing the evolution of poverty in Romania, at a regional level, using the following indicators: AROPE, relative poverty rate, severe material deprivation rate and the percentage of the total population aged less than 60 living in households with very low work intensity. To capture the possible changes in poverty after Romania's accession to the EU, the period analyzed was 2007-2017. The analysis carried out revealed important aspects regarding the regional poles highlighted by the disparity index.*

*In general, the regional poles were the Bucharest-Ilfov region for the best situations, respectively the North-East region and the South-West Oltenia region for the least good situations. The results highlighted the fact that Moldova (east of the country) and Oltenia (southeast of the country) continue to be the most poverty-stricken areas.*

**Keywords:** *material deprivation, poverty, regional poles, regions, relative poverty*

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## **PHYSICAL CAPITAL INVESTMENTS AND LABOUR PRODUCTIVITY ACROSS COUNTRIES – PANEL APPROACH**

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### **ABSTRACT**

*It is recognized that gross capital formation has a direct, but also an indirect impact on the labour productivity. Physical capital naturally has an important role for the economic growth and labour productivity. It has always been seen as potential determinant for enhancing productivity growth. Based on an*

*intensive and a comprehensive literature review, the aim of the paper is to analyze the extent of correlation and causal relationship between gross fixed capital formation and labour productivity on different group of countries for the period 2004 – 2016. The countries which are subject of the analysis are divided into three groups based on the geographical location and their economic and structural performance. In order to examine the correlation between the gross fixed capital formation and labour productivity, it is used an uncentered correlation coefficient. For analyzing the casual relationship between variables included in this study, an econometric panel regression analysis of the three groups of countries is employed. Therefore, an attempt is made for an econometric analysis based on panel data. The results of the correlation analysis show a positive correlation in the individual groups of countries analyzed in this study. It pointed out that the degree of correlation differs between the individual panel analysis. Moreover, such a conclusion can be drawn based on the results obtained from the regression panel analysis. That is, the causal relationship in individual country groups is statistically significant and positive. On the other hand, on average the different coefficients of the  $\beta$  coefficients indicate a different degree of causality between the gross fixed capital formation as an independent variable and the labour productivity as the dependent variable in the different groups of countries. The strength of the causal relationship is quite different given the economic, structural and other characteristics of separate group of countries.*

**Keywords:** *gross fixed capital formation, labour productivity, panel data, physical capital investments*

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## **FINANCIAL ASSETS OF HOUSEHOLDS IN CROATIA – CHANGES IN PREFERENCES: REASONS AND CONSEQUENCES**

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### **ABSTRACT**

*Deposits are traditionally dominant in the financial assets of households in Croatia. However, over a longer period, a new trend is becoming visible – a decrease in their share (to 50.7% in 2017). This trend is partly due to the faster growth of investments in pension funds, but also due to the decreasing dynamics of currencies and deposits' growth. Therefore, the structure of household financial assets has changed in recent years, in which the share of currencies and deposits had decreased by 7.9 percentage points between the years 2008 and 2017. Such trends are important in the context of the continued growth in total financial assets of households and the trend of growing bank deposits, which at the end of July 2019 exceeded HRK 205 billion (over EUR 27 billion). This trend is a consequence of the growth of demand deposits (by 24% YoY), but also the decrease in long-term deposits (by 10.5% YoY). The value of time deposits began to decline in 2015, and at the same time, the growth of savings deposits (on demand) and demand deposits increased. All of the above shows that the saving preferences of the population have started to change, that is, a shift towards the most liquid forms of*



*savings is visible (demand deposits and transaction accounts). The main reason for the change in the preferences of the population towards more liquid forms of deposits is the historically low deposit interest rates, which (especially for fixed/long term savings) have become disincentive. Interest rates on time deposits have fallen sharply and have almost equalled interest rates on more liquid deposits. The global context suggests that interest rates in Croatia will remain low for some time and consequently the classic bank savings will remain unattractive. Therefore, this paper focuses on the causes of the change in savings preferences, as well as the consequences in the form of household deposits' movements and the regional aspect of the household deposits' distribution within credit institutions.*

**Keywords:** *Deposits of households, demand deposits, savings of households, financial assets*

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## **DOES THE YEAR 2020 BRING MAJOR CHANGES TO THE REAL ESTATE MARKET OF GREEN BUILDINGS?**

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### **ABSTRACT**

*The targets of the Europe 2020 strategy involve a 20% reduction in greenhouse gas emissions compared to 1990, a 20% level of energy obtained from renewable sources and a 20% increase in energy efficiency. The long-term objective is the reduction, by 2050, of greenhouse gas emissions by 100% and of decarbonisation of the real estate park, in the context in which it*

*is responsible for about 36% of the total carbon dioxide emissions in the European Union. Compliance with these regulations that will become mandatory for all buildings completed starting in 2020 can be done by making the equipment used in buildings more efficient, by implementing efficient air conditioning and ventilation solutions but also by using solutions and principles such as orientation according to natural light, insulation, used or natural ventilation. There are several valid approaches to creating a sustainable home, but they all deal with the design, construction and operation of the home with a view to minimizing or eliminating the impact that the construction or operation of the home has on the environment. In this paper will be detailed some fundamental aspects of this type of housing such as: energy efficiency and green energy, location, sustainable materials, bioclimatic design, evaluation criteria for green buildings, etc. The large-scale implementation of the principles of sustainable development with economic, social and ecological implications, in the case of the new "green" buildings will be doubled by the significant increase of the sustainable certifications. Is green real estate credit an important financial instrument in achieving this target? What are the European practices on the Real Estate Market? These are the objectives of this work.*

**Keywords:** *sustainable certification, green buildings, valuation criteria, real estate market, financial instrument*

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## CHALLENGES OF THE FORMAL PROJECT MANAGEMENT EDUCATION IN THE SENET REGION

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### **ABSTRACT**

*In recent years, an increasing number of organizations have been basing their businesses on the use of temporary forms of work, such as projects, to become more flexible and responsive to market impulses. Consequently, individuals participating in managing projects within the organizations should be competent enough to choose the right approaches and use the appropriate tools to achieve project success. However, although a considerable focus has been placed on developing knowledge, as well as acquiring skills and abilities in the field, it appears that the current formal education does not adequately prepare individuals to deal with the complexities associated with this type of work due to the existing gap between what educational institutions have to offer and what is needed in the labor market. With the aim of better understanding the challenges of formal project management education in the Central and South-east Europe (SENET) region, a qualitative empirical research has been conducted among the representatives of IPMA certification bodies in eight countries, namely Czech Republic, Greece, Croatia, Romania, Russia, Slovenia, Slovakia and Serbia. The collected data were analyzed using the grounded theory approach and five main challenges were identified: the way of managing educational institutions, status quo in education system and slow adaptation to changes, late introduction of project management education to the system, insufficient competence of professors and insufficient connection with the industry needs and professional associations.*

**Keywords:** *professional project management associations, project management, project management competencies, formal project management education, SENET region*

## **OCCUPATIONAL TRAINING WITHOUT COMMENCING EMPLOYMENT: ADVANTAGES AND DISADVANTAGES**

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*Active Labour Market Policy (ALMP) aims to reduce unemployment by increasing the employability of specific categories of the unemployed. Occupational training without commencing employment, officially called Work, Internship and Transportation, is a form of the Youth Guarantee reform. This measure, which has been implemented since mid-2010 by co-financing the work of young people with no work experience, has both advantages and disadvantages that we wanted to explore more closely. Therefore, in May 2018, a survey was conducted on a sample of 207 young people up to the age of thirty, who were beneficiaries of the aforementioned measure in the City of Split.*

*The study aimed to investigate the (dis-)advantages of occupational training without commencing employment, as well as the effects of the implemented measure on further employment. During the study, the majority of respondents were unemployed and limited-term employees. Prior to the implementation of occupational training, they expected interesting work assignments (71.5%), effective work relationships (86.5%), and adequate workspace and equipment (more than 80%). The respondents with a university degree did not rate occupational training more positively than those with lower education, nor did they mention its greater benefits in further employment. As for the main reasons in favour of the implementation of occupational training without commencing employment, the respondents emphasize the need for work experience of any kind, especially such in the professions which they were educated for, and the acquisition of formal work experience. In addition to their positive experiences, such as gaining new knowledge and acquaintances, they also highlight the negative experiences and shortcomings of the measure. These are, primarily, insufficient remuneration and equally poor job prospects after training, lack of acquired expertise, a feeling of working for free, as well as the "circularity" of the measure, which significantly impedes permanent employment in the workplace where the training was conducted. In conclusion, the measure mainly provides a temporary solution of youth unemployment and mitigates its proportions, contributing to an apparent reduction in the number of unemployed.*

**Keywords:** *occupational training without commencing employment, labour market, unemployment, youth, Croatia*

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## INVESTMENT EFFICIENCY OF TOURISM COMPANIES

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### **ABSTRACT**

*The economic success of a country reflects the success of companies that make up the economic fabric of that country. Tourism is a sector that has a strong weight in the economic structure of many countries, and in some cases is responsible for most of the exporting economic activity. The growth of this sector of activity may boost job creation and increase overall revenues and income. It is considered relevant to evaluate and compare the investment made by companies in order to obtain better results. These results can be translated directly into the economy and in the increase in the number of tourists. In this sense, the present study was carried out in a group of 16 countries of Europe and the data was collected from the database PORDATA (Base de dados de Portugal contemporâneo) for the period of 1997 to 2016. For corporate investments, investments made by companies in the accommodation, catering and similar areas are used. In this case, the investment rate is analyzed. The analysis of the investments made with the results obtained in terms of the number of infrastructures created and their consequent impact on the increase of resident and non-resident tourists is presented. These analyzes are performed through multivariate data analysis, and the correlation structure between the various indicators considered and their evolution over the considered period is also presented.*

*Through the structural equation models, it was possible to verify the mediating effect of the infrastructures created in the increase of the number of tourists.*

**Keywords:** *infrastructures, investment, tourism and tourist attraction*

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## **COMPARISON OF HIGHER EDUCATION SYSTEMS OF FINLAND AND TURKEY**

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### **ABSTRACT**

*It is possible to see that there is a linear ratio between the development levels of countries and the rates of having qualified universities. In this research two countries were selected as sample. Finland is one of the developed countries with having highly qualified education system and becomes one of the successful countries according to the PISA results. Turkey has a score under OECD average in PISA exam. That's why these two countries were taken as samples and compared in terms of their higher education system. As these two countries were compared, this research is a comparative education research. In this research, one of the qualitative research methods, comparative survey model is used. First of all, literature review was conducted and acts of higher education systems were examined then similarities and differences were compared. One of the reasons for selection of these two countries is that they have not been compared in terms of higher education systems in a critical way. As data resources; websites of education ministries of these countries and scientific articles published in scientific magazines were used. Document review method was used in data collection.*

*According to the findings, in Finland universities are more independently working institutions. However in Turkey all universities are bounded to a supreme institution which is called Higher Education Institution. In two countries, universities are similar in terms of administrative hierarchy, a rector and three vice-chancellors are the supreme administrators. The most prominent difference between two systems is student selection systems. In Finland, universities can determine their own criteria to select students, but in Turkey a central exam is carried out for all kind of universities. As a result, it is seen that in Finland universities are more independent than the universities in Turkey.*  
**Keywords:** Higher education, comparison, education system

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## **SEAPORT - CITY COOPERATION ON THE EXAMPLE OF THE CITY OF GDYNIA**

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### **ABSTRACT**

*Seaports are the backbone of the maritime transport infrastructure, constituting one of the most important links in the entire supply chain. As highly complex and technologically advanced facilities with numerous logistics networks, they have an impact on the immediate and more distant surroundings in which they operate. In addition to commercial opportunities or the value generated for the state budget, seaport activities affect the local environment and the general public. The purpose of the article is to analyze and assess the functioning of the Port of Gdynia, and in particular to identify the areas within which the facility affects the city and the life of its residents.*

**Keywords:** port infrastructure, economic environment, seaport



## METHODOLOGICAL ASPECTS OF ASSESSING THE MARKET STRUCTURE: CONCENTRATION AND EFFICIENCY

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### **ABSTRACT**

*The article describes the growth trend of market concentration in Russian industries which is the result of the firm's competition for a leading position in the market. Antitrust policy in Russia and foreign countries is aimed at countering the formation of cartels. Their identification is associated with great difficulties. The article proposes a methodological approach to assessing the level of concentration and the results of industry activity, if firms have formed strategic groups (cartels). The essence of the approach is to use the apparatus of the theory of industrial organization in the study of oligopoly markets. The initial version of Cournot, in which coalitions act as market participants, is taken as the basis. This approach allows us to evaluate the effectiveness of the industry on the basis of parameters such as profit, output of coalitions and enterprises, average total costs, industry profitability (Lerner index), as well as calculate the real level of market concentration taking into account the tendency of cartelization firms. The actual level of concentration corresponds to a certain number of coalitions and their composition, which functioning gives the best approximation to the statistics of production volumes and shares of enterprises in the market.*

**Keywords:** *Concentration, cartel, efficiency, oligopoly, strategic group*

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## **CROSS-REGIONAL COOPERATION IN THE EU FOR EFFECTIVE INNOVATION DEVELOPMENT: EXPERIENCE FOR RUSSIA**

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### **ABSTRACT**

*The article is devoted to the study of the European experience of cross-regional cooperation in the field of innovation. The implementation of Smart specialization strategies in EU member states is considered. Based on the Smart specialization platform, which provides support to develop national and regional smart specialization strategies, the specifics of the four EU macro-regional strategies implementation and the possibilities for increasing cooperation in innovation investment across regions are examined. In conclusion, recommendations on the application of the European experience in Russia to increase the effectiveness of regional innovation policy are given.*

**Keywords:** *Innovation policy, regional policy, cross-regional cooperation*

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# **THE MOUNTAIN PARADIGM: THE ROLE OF THE ATLAS MOUNTAINS IN SHAPING THE LIFE OF MOROCCAN MOUNTAIN INHABITANTS**

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## **ABSTRACT**

*The Mountain is the predominant territorial element in the northern part of Morocco. It structures its inhabitants' life and forces its dynamism to pulsate at the pace of movement and transhumance. Morocco's history attests to the importance of the Atlas Mountains in understanding the foundations of Moroccan life; throughout its history, Morocco has been mountain-dependent; the key to understand Moroccan reality, the relevance and complexity of its economic events must resort to the in the mountain paradigm or matrix. Morocco, known for its diverse terrain and climate, is home for different life patterns and life styles characterizing geographically distant peoples. Consequently, its environmental balance and social cohesion remain precarious and vulnerable, which makes it the country of contrasts par excellence. However, the most striking contrast, one around which re the life of Moroccans has revolved for centuries, is the "Dir", i.e., the natural belt that forms from the point of the sudden contact between the mountain and the plain. In the present article, we argue that the word "Dir" represents the most appropriate and suitable concept to describe the general living conditions of a great number of Moroccans. It explains how the geographical unity of the natural parts of Morocco are not*

*governed by the principle of the territorial homogeneity; instead, they are governed by the co-existence of contrasting territorial parts, namely the hill, the plateau and the desert. In our view, any who wishes to understand the nature of Moroccan society and its political system can by no means overlook this geographical fact.*  
**Keywords:** Morocco, territory, 'Dir', mountain, transhumance, desert, Amazigh

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## **THE PRINCIPLE OF PROTECTION AS A PRINCIPLE OF INTERNATIONAL LABOR LAW**

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### **ABSTRACT**

*The aim of this study is to explore the Principle of Protection as a Principle of International Labor Law and its application to International Labor Contracts, given the precariousness of working conditions, under the current perspective issued by the International Labor Organization - ILO. We will base this principle on the grounds of the employee's inadequacy given the need to protect the most vulnerable part of the relationship in question, as means of safeguarding the dignity of the human person, in this case, the worker. This is intended to protect the*

*worker from the employer's arbitrariness. Given the current deterioration in working conditions, it is important to understand its content as a guiding principle applicable as a General Rule of International Labor Law.*

**Keywords:** *Labor, Law, Principle, Protection*

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## **INTERNATIONALIZATION OF SMES IN ICT INDUSTRY: BUSINESS MODEL PERSPECTIVE**

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### **ABSTRACT**

*The internationalization of small and medium enterprises can be defined as a process in which a firm conducts some or all of its business activities across national borders. That process is an important step for every firm's development. Firms can ensure sustainability and growth through the process of internationalization, what is important especially for firms situated in smaller economies. However, internationalization is related to new, uncertain situations, challenges and decisions. Business model of the firm needs to be congruent with that process and the fact that firms become part of global value chains. Business model can show motives and patterns of internationalization, but also to what extent is the firm committed to doing business on international markets. Firms need to ensure competitiveness in order to be able to successfully participate in business activities on the global level. Taking into account the importance of internationalization and business model development for small firms, it is necessary to get a deeper understanding of the relationship between these two processes and their connection to the firm's competitiveness. This paper*

*aims to analyze and present cases of three small firms from the ICT industry in Croatia that developed a successful business model for internationalization. The study is based on qualitative research. Data was collected through in-depth semi-structured interviews with owners and publicly accessible information about firms. Conclusions from this study can contribute to the knowledge about motives and patterns of internationalization of small firms and the role of business model development for international business.*

**Keywords:** *Business model, Competitiveness, Internationalization, Patterns, Value chain*

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## **EXPLORING THE IMPACT OF CONSUMER IDENTIFICATION WITH USERS OF THE SPORTS CLUB SOCIAL NETWORK**

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### **ABSTRACT**

*Rapid growth of sport industry leads to intensive research in the fields of sport marketing management. Sport is important part of the social structure and significantly influences modern society. As it is strongly correlated with profit related activities, such as*

*ticket sales, licensing or media coverage it is obvious that sport industry and sport itself will spur research interest also in the future. Sport team brands recognized importance of digital platforms and social media networks in process of attracting new consumers and developing relation with existing consumers. Although digital media is ubiquitous, insufficient research of the concept of consumer engagement on the social networks of sports clubs is evident. Aim of this paper, is to explore consumer identification with members of a sports club social network and its relationship with developing and building loyalty of the sport club. Analysing and critically evaluating existing instruments for measuring the concept of consumer engagement in the sports industry and synthesizing existing theoretical knowledge in the mentioned areas, the basis for the empirical analysis of the concept is founded. Furthermore, research results indicate that consumer identification with members of the sports club is positively associated with loyalty to the sport club. This can serve to marketing managers in the social networks of sports clubs, increasing the practical value of this research.*

**Keywords:** *consumer engagement, consumers' identification, social media, sports club, loyalty, virtual community*

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## **THE ROLE OF RISK MANAGEMENT IN CORPORATE DECISION-MAKING**

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### **ABSTRACT**

*Risk and uncertainty are a key attributes of all human activities, especially business activities. Research and development of new products, introduction of modern technologies, entry into new*

*markets, mergers and acquisitions, large investment projects, business restructuring are examples of activities whose future results are uncertain and may deviate from the planned or anticipated results. Risk management is a prerequisite for a successful business, and so the risk analysis has become an integral part of business analysis in current global and dynamically changing market environment. There are various sources of uncertainty in the risk assessment and risk management process of enterprises. The degree of uncertainty and variability of available market information shall be explicitly taken into account in the risk analysis. Thus, the aim of the paper is to assess the corporate decision-making using the non-parametric bootstrap method, which simulates what would happen if we observed repeated samples from the basic set in such a way that the available data creates new random selections. The purpose of the use of the bootstrap method is to gather information cheaply in a timely fashion and to calculate standard errors, construct confidence intervals, and perform hypothesis testing for numerous types of sample statistics. The focus is given to the introduction of the core concepts of bootstrap than its application, however, a concept illustrating is used. The results determine the average risk factors influencing the corporate decision-making. The results may be used as a source of the comparison of effective risk elimination in the corporate decision-making process.*

**Keywords:** *bootstrap method, corporate decision-making, risk management*

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## THE EFFECTS OF GLOBALIZATION ON GROWTH IN BRICS ECONOMIES

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### **ABSTRACT**

*The impact of globalization on economic growth has not yet been fully explored. This influence cannot be theoretically defined as strictly positive or strictly negative. Empirical studies show that different countries receive different benefits from globalization. Also, the dimensions and subdimensions of globalization often vary in the intensity of their impact on countries or even vary between positive and negative effects. Due to their specificity, the impact of globalization on developing countries is of particular interest. Five of those countries, the so-called BRICS countries are analyzed in this paper. This paper finds positive and statistically significant impact of globalization on economic growth in BRICS countries from 1993 to 2016.*

**Keywords:** *BRICS countries, Globalization, Growth*

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## KNOWLEDGE MANAGEMENT TECHNOLOGY AND HUMAN RESOURCES: AN OVERVIEW

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### **ABSTRACT**

*Modern organizations exist in an ever-changing economic, technological, political and social environment. In such an environment that stands on the knowledge-based economy, knowledge is the primary driving force. Given that competitive advantage, or survival of an enterprise, is more than ever dependent on knowledge, it needs to be effectively processed through a knowledge management system. Knowledge management comprises people, activities, processes and associated technologies by which explicit and tacit knowledge is identified, created, acquired, stored, shared and applied. Knowledge management technologies are designed to support the business processes and goals of the company, but also to create an enabling work environment. People in this synergy make a necessary factor. This paper focuses on the role of human resources in knowledge management and their balance in work environment with knowledge management technologies. Therefore, the paper gives an overview of available knowledge management technologies and their role within the knowledge management processes, as well as the benefits of their application, especially regarding human resources. Ultimately, the challenges, problems and benefits of the (un)successful synergy of human resources and knowledge management technologies are considered.*

**Keywords:** *Knowledge Management, Knowledge Management Technology, Human Resources*

# **INCREASING QUALITY AND PROFITABILITY OF RESTAURANT INDUSTRY THROUGH THE INTRODUCTION OF THE MICHELIN GUIDE IN THE REPUBLIC OF CROATIA**

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## **ABSTRACT**

*The Michelin Guide, besides contributing to the popularization of the "fine dining" restaurants, has also set Croatia on the gastro map of Europe. Croatia received an objective assessment of top experts and we have been given the opportunity and clear standards for quality service, creativity and variety. The purpose and aim of the paper is to explore the impact of Michelin's quality standards on increasing the profitability of the restaurant industry and contribution to the competitiveness of Croatian gastronomic offer on a global scale. By setting clear quality criteria through measurements in the survey questionnaire, the restaurant owners and/or the main chefs; attitudes on the clarity of Michelin's quality standards have already been set. Determining the importance of some quality criteria on the reference sample of restaurants, included in The Michelin Guide and those with the highest ratings on TripAdvisor, we've come interesting conclusions. The conducted research has shown that*

*in most of the restaurants involved in the survey, the introduction of the Michelin Guide influenced positively. The Michelin Guide has more influence on restaurants in larger towns (Zagreb) and on popular tourist destinations (Istria, Kvarner, Dalmatia). Quality service analysis found that Croatian gastronomy still has a lot of work and money to invest in order to progress. As the most important recommendation for the further development of the restaurant industry, the need for permanent investment in education and training is emphasized. This leads to improvement of service quality in restaurants, which will result in a unique gastronomic offer that will stimulate visitors to return to the same restaurant, thus contributing to branding Croatia as a gastro region and leading to sustainable development.*

**Keywords:** *eno-gastro tourism, restaurant industry, restaurant quality, restaurant competitiveness, The Michelin Guide*

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# **REVITALIZATION OF NIGERIA'S SCIENCE AND TECHNICAL EDUCATION IN THE PROMOTION AND MANAGEMENT OF ECONOMIC GROWTH AND DEVELOPMENT**

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## **ABSTRACT**

*The paper examined the how to revitalize Nigerian science and education for economic growth and development. Science and technical education is the bedrock for economic growth and a good strategy to accelerate the development of science and technical education for the purpose of rapid technological breakthrough. The paper dwells on the objectives of basic science and technical education curriculum and also identifies what a child need to know and skills to be acquired through science and technical education curriculum. The paper revealed that the science and technical education curriculum offered in the classroom is too ambitious and does not sufficiently equip the students with the desired practical know-how to meet the challenges of accelerated development expected from the study of science and technical education for societal expectation. Finally, the paper recommended the need to understand the importance of science and technical education and effort should be made to tailor the curriculum towards the promotion of economic growth and development of Nigeria.*

**Keywords:** *Development, Economic growth, Education, Management, Nigeria, Revitalization*

## **THE IMPACT OF THE SOLID WASTE FEE SCHEME ON THE GENERATION AND SEGREGATION OF WASTE BY THE RESIDENTS OF GDYNIA**

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### **ABSTRACT**

*Cities are currently facing many environmental problems. One of them, inherently linked to human existence, is municipal waste. Unfortunately, the amount of municipal waste generated per capita in Poland is growing every year. To meet these challenges, cities are constantly updating their municipal waste management systems in accordance with the guidelines laid out in EU directives that allow selective and non-selective waste collection. An efficient waste management system should aim to reduce the mass of generated waste and to increase its segregation. To this end, four types of methods for determining the fee charged for municipal waste management are allowed, which should address its quantity and selective collection. The City of Gdynia opted for the method of determining this fee according to the area of the residential premises. The aim of the article is to analyze the impact of the solid waste fee scheme on the generation and segregation of municipal waste by the residents of Gdynia.*

**Keywords:** *municipal waste management, solid waste fee*

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## **BUSINESS ENVIRONMENT ASSESSMENT BASED ON PROFITS: A COMPARATIVE STUDY OF THE CZECHIA AND SLOVAKIA**

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### **ABSTRACT**

*Management theory and practice have devoted considerable attention to looking for certain factors that affect business environment in economy. A sign of a healthy business environment is the long-term economic prosperity of enterprises, which is determined by achieving a positive economic result. Positive earnings are fundamental risk reduction functions for enterprises and the prime options for business expansion. It is the amount of the profit that is a measure of the business environment quality provided, and is one of the regressors of the success or failure of the transformation process of the enterprises. Profit provides key resources not only for business development but also for the development of the whole national economy. It is in the interest of every modern country to create incentives for businesses to stimulate their existing activities and create positive impulses for their future activities. The aim of the paper is to assess the business environment quality in the Czechia and Slovakia on the base of the average earnings before taxes in the period 2010 to 2018. The quality of the business environment is evaluated through statistical tests of hypotheses. 859 Czech and 1347 Slovak enterprises enter to the comparative analysis. 189 outliers in Slovak group and 171 outliers is indicated by Grubbs test and missing values. Normality tests (Shapiro-Wilk test, Anderson-Darling test, Lilliefors test and Jarque-Bera test) do not reject that earnings before tax of Slovak and Czech enterprises follow a normal distribution. Fisher's F-test confirms the ratio between the variances is not different.*

*T-test of independent samples is realized after running normality tests and test of variances. The business environment quality based on results of the paper determined of average profits is greater in Czechia than in Slovakia and less business risk is on the side of Czech enterprises.*

**Keywords:** *business environment, enterprises, profit, risk*

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## **ENTREPRENEURSHIP DEVELOPMENT IN THE CONTEXT OF POSTMODERN: FUTURE OF ENTREPRENEURSHIP OR ADAPTATION TO DEVELOPMENT OF POSTMODERN SOCIETY**

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### **ABSTRACT**

*The aim of this paper is to point out the changes that are happening in the entrepreneurial practices, and are based on the changes that are taking place within the societies in which they exist. Trends in the development of post-modern society are significantly impacted by the basic tenets of entrepreneurship development. Roots entrepreneurship recognize such ideas and the power of individuals who have launched a variety of business processes, and indirectly they rolled wheel of history in an*



*entirely new direction. The entrepreneurial process, since ancient times, has been linked with the individual who creates new value by developing existing resources at his disposal. The highlight of the practice we encounter in modern through the transition from the manual in industrial production. Postmodern will bring a whole new social paradigm, and will expand the enterprise, with individual access to entrepreneurial enterprise, the association of individuals who shared ideas and capabilities open the way for an entrepreneurial venture. Entrepreneurial practice in modern recognize as individuals and company's beginners, in post-modern sovietise will complement the new forms of entrepreneurial activity. Fundamental business practise will be fully adapted to new social trends of the post-modern society.*

**Keywords:** *entrepreneurship, industrial revolution, postmodern entrepreneurship, postmodern society, third industrial revolution*

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## **THE IMPORTANCE OF THE EUROPEAN UNION SOLIDARITY FUND IN BUILDING RESILIENT REGIONS**

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### **ABSTRACT**

*The world is faced with numerous disasters related to climate that cause serious human, economic and environmental losses, influence stability, development opportunities and quality of life.*

*More frequent disasters are seen in Europe, where countries and its regions differ with respect to their risks and abilities to deal with the unfavourable consequences. Cohesion policy has recognized that it is inevitable to invest in climate change adaptation, risk prevention and also to give quick support in case of catastrophes. The European Union Solidarity Fund was established as one of the instruments that can be used to respond to different natural disasters. The aim of this paper is to present the role of the European Union Solidarity Fund in helping European regions to cope with the consequences of disasters and to become resilient. The notion of regional resilience refers to the (long-term) ability of regions to prepare in advance, withstand and recover from different types of shocks, including natural disasters, but there are discussions about the concept and its implementation. After describing different studies, confronting views and facts about the impacts of natural disasters on economies, with emphasis on regional level and regional resilience, funding opportunities for preventing and managing disaster risks and its consequences within cohesion policy of the European Union are presented. More detailed analysis of the European Solidarity Fund interventions is performed to examine the importance of the fund in helping regions become resilient after disaster. The results have confirmed the increasing need and the benefits of the European Union Solidarity Fund but also the necessity to combine other instruments in building resilient regions.*

**Keywords:** *European Union Solidarity Fund, Cohesion policy, Natural disasters*

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## **EXPORT ACTIVITIES ANALYSIS OF THE NOVOSIBIRSK REGION COMPANIES**

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### **ABSTRACT**

*Nowadays economic activity in Russia is in a structural crisis. This crisis extends to the sphere of material and intangible production, social interaction, institutional structure and gives rise to a significant number of contradictions and imbalances. There is also a significant and systematic inconsistency in the information chain of "federal-regional-local" authorities, which significantly worsens the existing economic situation and is expressed in the asynchronous economic development across the country, the fragmentation of the market space and the formation of extractive institutions. In this article the authors considered the issue of foreign trade activities of regional companies only on the example of the export component, in the conditions of sanctions, this area of research is the most promising, supported by various*

*institutions at the regional level and corresponds to the scientific interests of the authors. As a result of the research, the main trends in the firms foreign economic activity of in the Novosibirsk Region were analyzed, qualitative and quantitative assessments of the institutional environment of economic agents were given, constraints hindering development were noted, and proposals were made for the formation of a long-term strategy for the Novosibirsk Region in the direction of foreign economic interaction as an element of a sustainable development.*

**Keywords:** *Novosibirsk region, foreign economic activity, sustainable development, institutional environment, problems of exporters and importers, specialization*

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## **INSTITUTIONAL QUALITY AND WORKING CAPITAL MANAGEMENT - AN INTERNATIONAL EMPIRICAL APPROACH**

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### **ABSTRACT**

*The national institutional systems have been empirically shown to play a moderating role on decisions and corporate performance of firms. With consensus that institutional environment matter, this paper aims to examine whether*

*institutional determinants influence working capital management for a large international sample of firms from the European Union countries and European emerging markets. The importance of the topic given the macroeconomic outlook of monetary policies tightening, the recent evidences of inverted U-shaped connection between working capital and firm profitability and the paucity of research in the relationship of institutions and working capital are the motivational drivers of the study. Based on panel data methodology and several relevant variables that reflect the quality of institutions, the results show that legal enforcement quality matters for working capital. The research highlights that the value of working capital varies across countries and it depends on the level of enforcement. The study complements corporate governance literature by analyzing how institutional quality influences working capital management, across a large number of different operating environments, specific both for developed countries and emerging markets. Moreover, the empirical analysis answers the call to explore the effects of institutional quality on working capital for a couple of under-researched European emerging markets. The theoretical arguments and empirical findings adds novel insights related to the impact of the institutional quality on working capital and could significantly advance the knowledge of a growing importance topic. The results are useful for practitioners to understand the interaction between macro institutional effects and firm-level effects, having a fuller picture of context-driven between institutions and financing options.*

**Keywords:** *European Union, Institutional quality, working capital*

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## ENTREPRENEURSHIP IN A VIRTUAL ECONOMY

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### **ABSTRACT**

*Virtual Worlds have been overtaking the current technological sphere, and so does anything else related to them. Inevitably there are new ways and opportunities for individuals on this new Virtual space. One such way is Virtual Entrepreneurship. The development of 3D Virtual Worlds has made it possible for individuals to find new ways of creating economic activities as well. Making real money on virtual worlds as a reality growing every day. Furthermore, user innovation, which is related to global entrepreneurship, has been gaining momentum as well. Even the term entrepreneurship has been transformed to "Avapreneurship" (Teigland, 2009, p. 4). The Internet is transforming human activities, which in return, transforms the economy and modes of production. Another distinctive characteristic of this new form of economy, the virtual economy, is that it happens virtually on three-dimensional virtual worlds within virtual communities. In those 3D VWs, users become members of a new form of virtual communities that establish their own rules and new forms of behaviors. These also create their new modes of transactions of knowledge or goods, which brings about the new economic activities. These communities become organizations for various reasons, where virtual residents create a new persona and new identities as well. The organizations may be for-profit or non-profit whose members keep their connection with the virtual world for as long as their common interest exists. The goals of those individuals to exist in those environments could be various, for example, for socialization, entertainment,*

*education, commerce, and even to discover and exploit opportunities within virtual worlds. Teigland (2009, p.6) argues that these virtual environments and members of those environments create the "collective competence" that is created by the togetherness of the individuals. It comprises both practical competences of individuals to integrate their competences to solve problems together, skills to think and reason, to work out routines, and interpersonal competence that helps with the interaction of the members to achieve goals and complete tasks together. Virtual spaces allow many individuals to connect with individuals from the entire world. This could enable individual entrepreneurs to find space for their ambitions in these circumstances (Papagiannidis, 2006, p. 615). In this context, virtual entrepreneurship can be related to the exploitation of those 3D VWs and seeking opportunities for creating profit by using manipulating those 3D VWs. Virtual entrepreneurs are looking for opportunities in 3D VWs. This opportunity recognition fueled by innovation helps individuals to seize the virtual economic activities. Virtual entrepreneurs, therefore, look into ways of creating new information and goods with the invention of new technologies. Another special trait to virtual entrepreneurs is that they look into real market economy gaps, cost reduction using new ways of goods creation and better use of resources at hand. To be able to discover the opportunities for successful virtual entrepreneurship, one needs knowledge of the matter and experience in the field (Kieger, 2010, p.7).*

**Keywords:** *Economy, Entrepreneurship, Virtual, Words*



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